

TECHNICAL ASSISTANCE – HAZARDOUS DUTY PAY PREMIUM

Prepared by Total Compensation/Systems team in the Division of Human Resources of the Department of Personnel & Administration. Revised April 2002.

Background and Purpose

The state personnel system is experiencing increasing difficulty in recruiting and retaining employees in certain occupations. This is especially true when competing for applicants in state work settings that expose employees to uncustomary direct physical danger that cannot be eliminated or significantly reduced by preventative measures. The recruitment and retention problem is exacerbated by Colorado's very tight labor market where applicants in certain occupations have numerous job opportunities to work for employers offering more appealing or traditional work environments. For example, a nursing position in a correctional facility may not be attractive to potential applicants whose background nursing training does not include preparation for work in such settings. The current shortage of nursing staff threatens the operation of some facilities because of accreditation standards.

The underlying concept of a hazardous duty pay premium is that it applies to jobs where direct, unavoidable exposure to serious physical danger during the course of performing regular duties is not an inherent part of the occupation itself, regardless of whether it is a state job. In such cases, those entering or preparing for the occupation do not expect exposure to such unavoidable risk. In occupations where exposure to hazards is a customary part of the occupation itself and expected by those choosing to enter such an occupation, the risk is taken into account as a component of base salaries. By contrast, the occupations for which this premium is intended do not include such a component in base salary because it is not a customary part of the occupation nor would it apply to all positions in the occupation. For example, the nurse in a student health clinic works in a very different setting than the nurse in a forensics psychiatric setting. In a direct survey conducted by the Total Compensation staff, hazardous duty pay was most common in jobs found within Labor, Trades and Crafts and Health Care Services occupational groups. The hazardous duty pay premium is a means to address individual state positions working in non-traditional, dangerous settings. It is not a substitute for proper safety precautions and training.

The hazardous duty pay premium was adopted as Director's Administrative Procedure P-3-50 and became effective February 1, 2001. The procedure contains broad policy statements that leave some flexibility to agencies to define specific criteria applicable to positions in their unique operations. Agencies need to balance this flexibility with the proper amount of accountability. Agencies are encouraged to use the hazardous duty pay premium judiciously in order to preserve the premium and its intent.

The following information addresses the features of the hazardous duty pay premium and some key considerations in establishing criteria for its use. It is recommended that managers and budget officers be involved in the process of determining whether to use the premium and defining the criteria for designating eligible positions. In determining if this premium is

appropriate for a given agency, it should be remembered that non-salary incentives and work-life options are also available and may effectively address needs. Once the decision is made to use the hazardous duty pay premium, communication with the workforce, proper training and consistent application will be key elements of success.

Features

Intent. Hazardous duty pay is a discretionary premium to assist in recruiting and retaining for positions working in occupations where exposure to physical hazards is not a customary part or expectation of the occupation and its preparation for entry. Those entering the occupation or potential applicants do not expect and are not prepared for such work settings.

- The majority of time is spent performing regular duties in physically dangerous settings.
- The risk of major injury or loss of life is clear, direct, and unavoidable, even with proper safety precautions and training.
- The occupation itself is not inherently dangerous so exposure to unusual physical hazards on a regular basis is not anticipated by those choosing to enter the occupation or applying for a state position. Base salary in the market does not include such hazardous duty and background education or training does not prepare job seekers for such settings.

Amount. The rate is \$1.00 per hour, effective February 1, 2001.

- The rate is established by the state personnel director and published each year in the compensation plan. A flat hourly rate was selected because it is flexible enough to allow paying for those hours actually worked in the hazardous setting. It provides the same value regardless of individual base salary and pay grade where a percentage of base salary distorts the value of the premium due to other components in salary (e.g., market, performance). An hourly rate was most common in the direct survey.

Use of the premium is **discretionary on the part of the agency**. An agency is not obligated to use the premium.

It is determined on a position, not class, basis.

Hazardous duty pay is not guaranteed, even when an employee is in a position that may be eligible.

Given the discretionary nature of this pay premium, there are no grievance or appeal rights except for allegations of discrimination.

It is non-base building and paid in regular payroll. It is included as PERA salary and for overtime.

The premium must be funded within existing budgets.

The statutory lid applies in all cases. The hazardous duty pay premium, when added to base pay and other pay premiums, cannot exceed the statutory salary lid in any given month.

Agencies must have written criteria for use of the hazardous duty pay premium. These criteria must be based on sound business considerations and needs. The criteria must be communicated to agency employees prior to the use of the premium. Even if the agency decides not to use the premium, it is recommended that this decision be communicated to employees.

Managers and appointing authorities who control budgets and staffing **must** be held accountable for their decisions concerning all aspects of hazardous duty pay.

Agencies must be prepared to report on any aspect of hazardous duty pay whenever requested by the state personnel director or designee. Therefore, attention should be given to the type of records needed and who will maintain them. It is recommended that records designating positions for hazardous day pay be maintained in the same file as designations for other premiums, such as overtime.

Key Considerations

Does the department or college/university choose to use the hazardous duty pay premium?

- Are there positions in settings that hazardous duty pay may apply?
- Does the need outweigh the expense and administrative costs?
- What other measures have been tried, including non-salary options, and why did they fail? Is it really attributable to work setting?

What is the background preparation of the occupation?

- What is included in the curriculum of educational or training programs that would prepare the job seeker to work in a physically hazardous setting?

Can potential applicants in the occupation reasonably expect to be exposed to your type of physical hazard, even if not applying for a state job?

- For example, a RN is trained to handle hazardous materials but not an assaultive environment. This is different from a person who chooses to become a police officer. Such entrants should understand or expect the customary exposure to physical hazards and are trained to deal with them, e.g., weapons, use of force, crowd control.

Has the total compensation picture been examined?

- Is the true impact on labor costs understood when considering base pay, other premiums, any discretionary pay differentials, performance awards?
- Does market base pay for the occupation already include a component for physical hazards?

Does the majority of a position's assignment involve working in a physically hazardous setting? The premium is not for occasional, incidental or accidental exposure to risk.

- What is the likelihood of incidents?
- What is the level of risk and seriousness of exposure? It must be life or limb threatening.

Is the threat of major injury or loss of life clear, direct and unavoidable despite proper safety training and precautions?

- What degree of control can be exercised over hazards?
- Can control mechanisms be implemented that reduce the hazard?
- Can the causes of the hazard be clearly identified and described?
- What safety precautions and training exist? Why does unusual exposure still exist?
- Is there a need for formal training or medical monitoring and procedures to manage the hazardous work setting itself (as opposed to the occupation)?
- Is the hazard and resulting risk due to the work setting itself as opposed to an employee adhering to established safety requirements?

Can criteria be clearly identified to determine eligibility and distinguish among positions in a class?

- Do the criteria meet the intent of the policy in Director's Administrative Procedure?
- Can the criteria be consistently applied throughout the department or college/university?
- Are the criteria explicit enough to distinguish among positions in the same or other classes to avoid inflated labor costs and conflicts? Have they been developed in anticipation of how many ineligible requests may come forward?

Have the appropriate parties been involved in the creation of the criteria and designation of positions?

- In addition to appointing authorities and budget staff, has consideration been given to involving employees?

Is it clear that the premium will be paid only for those hours actually worked in the physical hazardous setting?

Who has the authority to approve use of the differential?

- What kind of justification will be required?
- Are any special forms needed?
- What process will be used for requests?

Is the proper record keeping process in place?

- How will designated positions be tracked?
- What is needed to meet the reporting requirements to the state personnel director (e.g., number of employees, classes, amount paid to employees)?

The above information is general in nature and every attempt is made to keep this information updated. For more information, contact your agency human resources office. Subsequent revisions to rule or law could cause conflicts in this information. In such a situation, the laws and procedures are the official source upon which to base a ruling or interpretation. This document is a guide, not a contract or legal advice. For additional information, contact Total Compensation/Systems at 303-866-2455 or job.eval.comp@state.co.us.